

# EDMONTON SUBURBAN OFFICE MARKET

## 1Q 08

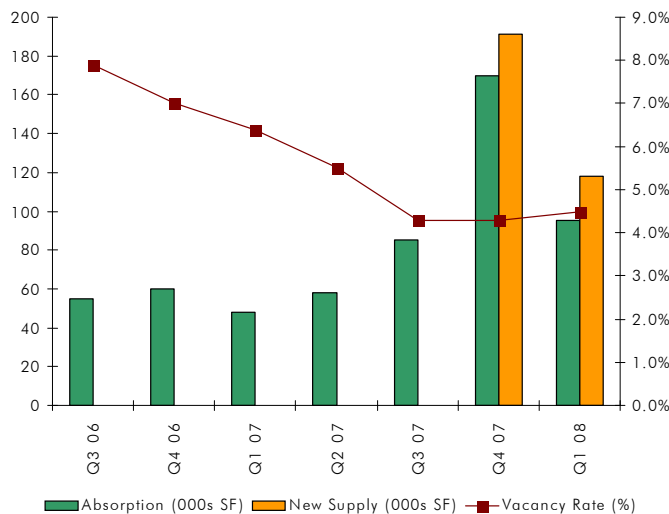
MARKET PROFILE		Change from Last Quarter
Inventory (SF)	7.4 million	↑
Vacant Space (direct and sublet) (SF)	333,669	↑
Sublet Space (SF)	21,881	↓
Vacancy Rate (direct and sublet)	4.5%	↑
Sublet as a % of Vacant Space	6.6%	↓
Absorption 1 <sup>st</sup> quarter 2008 (SF)	94,621	↓
New Supply 1 <sup>st</sup> quarter 2008 (SF)	118,250	↑
Under Construction (SF)	291,888	↓
Weighted Avg. Direct Net Rent (psf)	\$17.71	↑
Weighted Avg. Taxes and Op Costs (psf)	\$8.68	↑

- *Aecon Industrial – through CBRE – has leased 17,500 SF in the newly named Aecon Square located at 9830 – 42 Avenue. Aecon Square involves the redevelopment of an existing office/warehouse building; there will also be a new office building constructed on site.*
- *Commerce South Business Park Building E is a new office development located at 86 Street and 51 Avenue. This development is scheduled to be completed later this year but is already 100% preleased to Colt Engineering.*

## TRENDS IN THE SUBURBAN MARKET

- The overall Suburban Office Market has seen vacancy rise slightly to 4.5% from 4.3% in the previous quarter. Despite the rise in vacancy, there was still 94,621 SF of positive absorption during the first quarter of 2008.
- Asking lease rates have increased to an average of \$23.18 psf for Class A buildings with the highest being \$35.00 psf in College Plaza. Class B buildings now have an average asking rate of \$17.09 psf with rates reaching as high as \$20.00 psf.
- The Eastgate Submarket absorbed 23,005 SF in the first quarter and now has a vacancy rate of 1.3%. The Southside Submarket has a vacancy rate of 6.0% due to 118,250 SF of new office space. Notwithstanding the rise in vacancy, the Southside absorbed 82,348 SF in the first quarter.

### SUPPLY AND DEMAND



### WEIGHTED AVERAGE OCCUPANCY COSTS

